

service was rendered, rather than when processed. This means that any service used prior to January 1, 2017 will be billed at the old rates and any service used on and after January 1, 2017 will be billed at the new rates.

For further information, the applicable rates, rules, and regulations are available at www.montana-dakota.com or by calling 1-800-638-3278.



New
Electric and Gas

TAX TRACKING ADJUSTMENTS Effective January 1, 2017

Effective with service provided on and after January 1, 2017, your electric and/or natural gas utility bill from Montana-Dakota Utilities Co. (Montana-Dakota) will reflect a Tax Tracking Adjustment depending on the services provided by Montana-Dakota. This is allowed under Section 69-3-308 of the Montana Code Annotated (MCA) which provides for a public utility to separately disclose on a customer's bill the amount of state and local taxes and fees assessed the public utility for operations within the state of Montana.

On December 1, 2016, Montana-Dakota filed an application with the Montana Public Service Commission (Commission) for authority to implement two new Tax Tracking Adjustments to allow for the automatic adjustment and tracking of Montana state and local taxes and fees and to separately identify the recovery of those costs on customers' electric and gas bills. Currently those costs are included in the rates the Company has been authorized to charge its customers. Effective January 1, 2017, state and local taxes will be recovered through the Tax Tracking Adjustments and shown as a separate line item in the detailed portion of the utility bill. The Gas Tax Tracking Adjustment is 17.7244% of the total amount billed under the Basic Service Charge and the Distribution Delivery Charge and applicable to all gas rates. The Electric Tax Tracking Adjustment is 8.9676% of the total amount billed under the Basic Service Charge, Energy



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Charge, and Demand Charge and is applicable to all rate schedules. The amount billed under the Tax Tracking Adjustment reflects the total amount of your bill that is associated with Montana state and local taxes and fees.

In accordance with Section 69-3-308(2)(c) amended rates must automatically go into effect January 1 following the date of change in taxes paid on an interim basis. Upon Commission approval, if the authorized level of taxes and fees to be recovered is less than the taxes and fees being recovered through the rates implemented January 1, 2017, the Company will refund to customers the difference.

A residential natural gas customer using 100 dk on an annual basis will see an increase of \$6.53 annually or approximately 1%. A residential electric customer using 10,000 Kwh on an annual basis will see an increase of \$6.94 or approximately .8%.

New electric and gas rates for residential service are shown in this folder and are effective with service rendered on and after January 1, 2017.

Residential Electric Service – Rate 10

	<u>Current</u>	<u>Effective January 1, 2017</u>
Basic Service Charge.....	\$0.18 per day	\$0.17 per day
Energy Charge per Kwh		
October – May.....	\$0.05067	\$0.04691
June – September.....	\$0.07167	\$0.06635
Fuel & Purchased		
Power per Kwh	\$0.02416	\$0.02416
USBC per Kwh	\$0.001566	\$0.001566
Tax Tracking Adjustment 1/.....		8.9676%
Deferred Tax Recovery 1/.....	0.3476%	0.3476%

1/ Applicable to amount billed under Basic Service Charge and Energy Charge.

Other electric rates available:

Optional Residential Electric Thermal Energy Storage – Rate 13; Optional Time-of-Day Residential Electric Service – Rate 16; Small General Electric Service – Rate 20; Irrigation Power Service – Rate 25; Optional Time-of-Day Small General Electric Service – Rate 26; Large General Electric Service – Rate 30; Optional Time-of-Day Large General Electric Service – Rate 31; General Electric Space Heating Service – Rate 32; Interruptible Large Power Demand Response – Rate 38; Municipal Lighting Service – Rate 41; Municipal Pumping Service – Rate 48; Outdoor Lighting Service – Rate 52

Residential Gas Service – Rate 60

	<u>Current</u>	<u>Effective January 1, 2017</u>
Basic Service Charge.....	\$0.26 per day	\$0.23 per day
Distribution Delivery		
Charge per dk.....	\$1.309	\$1.134
Cost of Gas per dk	\$4.211	\$4.211
USBC per dk	\$0.0655	\$0.0655
CTA per dk	\$0.013	\$0.013
Tax Tracking Adjustment 1/.....		17.7244%

1/ Applicable to amount billed under Basic Service Charge and Distribution Delivery Charge.

Other gas rates available are:

Firm General Gas Service – Rate 70; Small Interruptible General Sales Service – Rate 71; Optional Seasonal Firm General Service – Rate 72; Large Interruptible General Sales Service – Rate 85; Transportation Service – Rates 81 and 82

Prorated Bill: The first bill you receive may be prorated, depending on the date your meter was read. Bills are prorated to reflect the rates in effect at the time

(over)